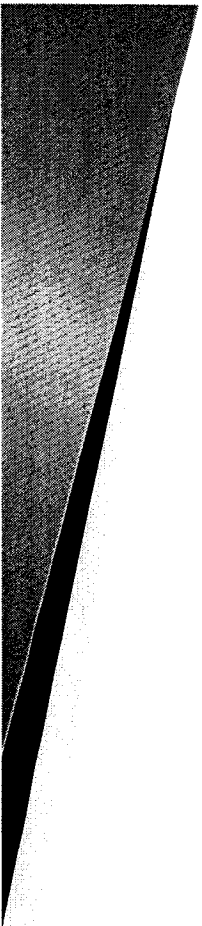


Montana's Work Comp premiums are highest in the Nation.

2010 Oregon Study

Montana is the Deadliest
Place to Work—More than
3½ Times the National
Average

*United States Department of Labor
Bureau of Labor and Statistics*



By The Associated Press

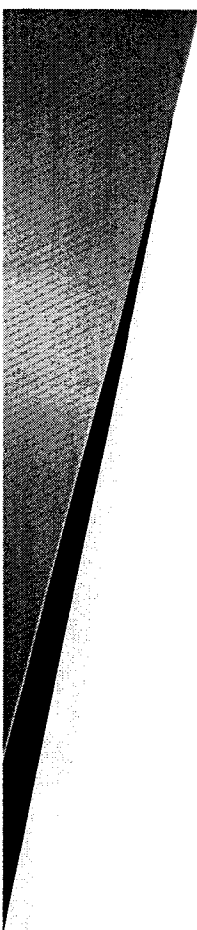
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CHEYENNE — Wyoming no longer is the nation's deadliest place to work, a dubious distinction that now belongs to Montana.

The number of workers killed on the job in Montana increased from 40 in 2008 to 50 in 2009, according to figures released Thursday by the Bureau of Labor Statistics.

That's up 25 percent for a rate of one death per 19,500 people of all ages, more than three-and-a-half times the U.S. average of one per 70,739.

In 2008, Montana ranked fourth for workplace deaths per capita.



History:

- ▶ February 2006: Montana DOL begins Phase I of the Workers' Compensation Study Project
- ▶ 4 key areas identified for policy change:
 - (1) Workplace Safety
 - (2) Medical Costs
 - (3) Inability to close medical claims without a dispute
 - (4) Returning injured workers to work more promptly

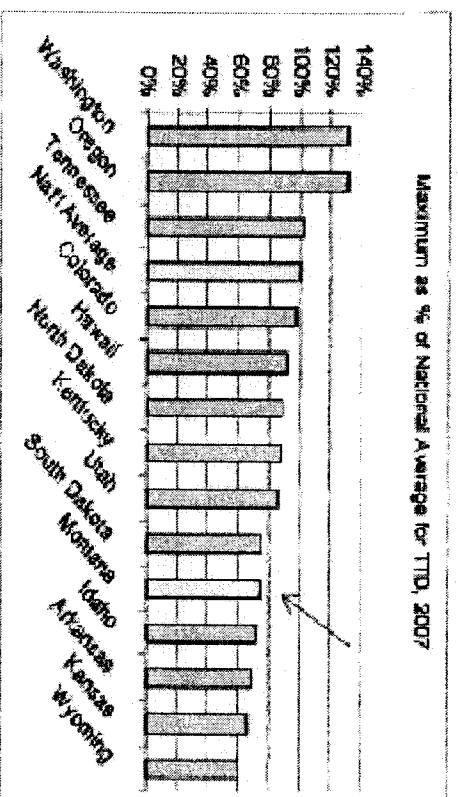
Montana's Average Weekly Wage is the 47th lowest in the Nation

Statutory Workers' Compensation Benefits

Maximum Weekly Benefit for TTD, 1/1/2007

	Maximum Benefit in Dollars	Maximum as % of National Average	Study Rank	Max Rank	State's AWW	Maximum as % of State's AWW	Study Y Rank	State's Rank
Washington	\$961	131%	1	7	\$601	120%	2	10
Oregon	\$960	131%	2	8	\$721	133%	4	20
Tennessee	\$750	102%	3	17	\$682	110%	5	24
Natl Average	\$738	100%						
Colorado	\$720	98%	4	24	\$781	91%	3	11
Hawaii	\$678	93%	5	26	\$678	100%	6	25
North Dakota	\$653	89%	6	28	\$1,088	60%	1	1
Kentucky	\$648	88%	7	30	\$648	100%	8	30
Utah	\$631	86%	8	32	\$631	100%	10	34
South Dakota	\$600	72%	9	40	\$650	100%	13	46
Montana	\$545	74%	10	41	\$545	100%	14	47
Iowa	\$526	72%	11	42	\$585	90%	12	42
Arkansas	\$504	69%	12	43	\$583	83%	11	38
Kansas	\$483	66%	13	44	\$644	78%	8	31
Wyoming	\$447	61%	14	47	\$670	67%	7	27

Sources: Inventory of Workers' Compensation Laws-BETA VERSION as of Jan 1, 2007, Table A; OASDIUM_2007_1.pdf from United States Department of Labor, & Calculated.

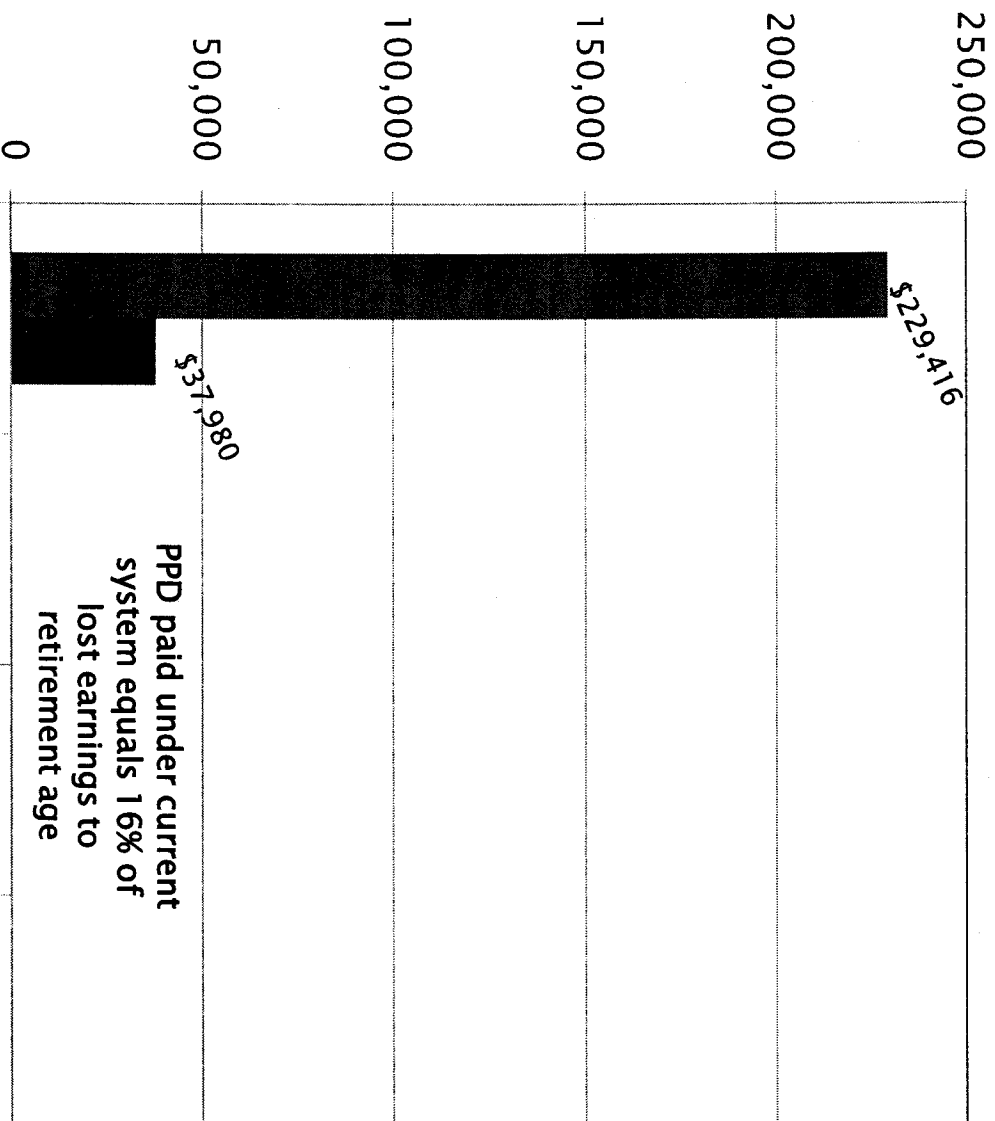


Example: John Q Public; injured on the job in August 2010; 45 years old; working a heavy duty job earning \$15.00 per hour; now restricted to light duty work, cannot return to his time-of-injury job and now is only qualified for a \$10.00 per hour job.

Calculation of a Maximum Permanent Partial Disability Settlement:

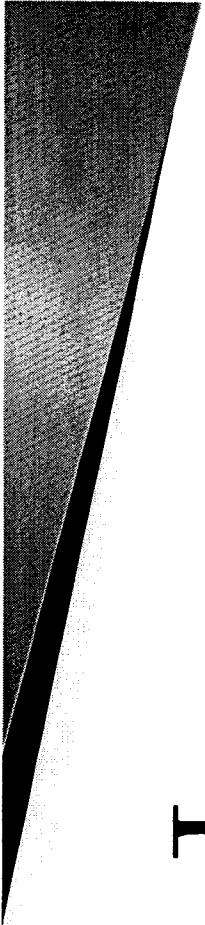
- 5% Impairment Award (*varies per worker but 5% is State average*)
 - 20% Wage Loss (*\$2+/hr loss*)
 - 5% Functional Loss (*heavy to light*)
 - 1% Age (*over 40 at time of injury*)
 - 1% Education (*no high school diploma or GED*)
- 32% x 375 wks x \$316.50 (maximum PPD rate) = \$37,980

John Q Public's Lost Earnings



- Lost Earnings Over Remaining 22 Year Work Life
- Maximum PPD Settlement/Current

The Key To Reducing Montana Work Comp Premiums Is Workplace Safety



If Montana dropped its
injury rate to the National
average (a “C”) it would
save 145 million/yr

Montana State Fund
Carl Kochman